

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 94-235-C - ORDER NO. 94-1114✓
OCTOBER 24, 1994

IN RE:	Application of Network Long)	
	Distance, Inc. for a Certificate of)	ORDER
	Public Convenience and Necessity to)	APPROVING
	Provide Intrastate Resold)	CERTIFICATE
	Telecommunications Services within the)	
	State of South Carolina.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Network Long Distance, Inc. (NLD or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1993) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed NLD to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of NLD's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. NLD complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by Southern Bell Telephone and Telegraph Company (Southern Bell).

Southern Bell subsequently moved to withdraw its Intervention in this Docket and did not participate in the hearing on this matter.

A hearing was commenced on October 11, 1994, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Guy Butler, Vice Chairman, presided. NLD was not represented by counsel. Florence P. Belser, Staff Counsel, represented the Commission Staff.

S. David Rosenfeld, Vice President of NLD, appeared and offered testimony in support of NLD's Application. Mr. Rosenfeld explained NLD's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities brand reseller. Mr. Rosenfeld testified that NLD serves 90% of the states and that NLD has never been denied authority to operate in any state.

Mr. Rosenfeld testified that NLD currently uses Allnet and WilTel as its underlying carriers. Mr. Rosenfeld also testified that NLD does not, at this time, provide operator services and that operator services are currently provided by the underlying carriers. According to Mr. Rosenfeld, NLD intends to offer its services throughout South Carolina, and NLD will utilize independent sales agents to market its services. Mr. Rosenfeld also stated that NLD does not provide 900 type information services. Mr. Rosenfeld further offered that approval of NLD's Application will promote competition within the telecommunications industry resulting in higher quality services at lower prices.

Mr. Rosenfeld testified that NLD is financially able to provide its services on a continuing basis. Further, Mr. Rosenfeld

testified that it will amend its tariff to delete language regarding advance payments and to revise the language regarding billing disputes. Mr. Rosenfeld further stated that NLD would amend its tariff to include a maximum rate schedule and current price list. Mr. Rosenfeld also testified that NLD's maximum rate schedule would not exceed AT&T's rates.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. NLD is incorporated under the laws of the State of Delaware and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. NLD operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. NLD has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to NLD to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers

approved by the Commission.

2. The Commission adopts a rate design for NLD for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Spring Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. NLD shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. NLD shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Spring Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1993).

4. NLD shall file its revised maximum tariff and an accompanying price list within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the findings of

this Order and shall delete the language regarding advance payments in §2.7.6.A.1. and shall revise the language regarding billing disputes in §2.8.1.D. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

5. NLD is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

7. NLD shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If NLD changes underlying carriers, it shall notify the Commission in writing.


8. With regard to the origination and termination of toll calls within the same LATA, NLD shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. NLD shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. The Motion to Withdraw Intervention filed by Southern Bell is hereby granted.

11. That this Order shall remain in full force and effect
until further Order of the Commission.

BY ORDER OF THE COMMISSION:


CHAIRMAN

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR RESELLERS OF TELECOMMUNICATION SERVICE

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING
_____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL
AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3
ABOVE).